

GEO

Guyana Economic Opportunities

2000 Annual Report

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Table of Contents

Table of Contents	i
Acronyms and Abbreviations	ii
Introduction: 2000 Overview	1
I. Activities and Accomplishments During the Reporting Period	
A. IR1: Increased Capacity to Implement Economic Policy	1
B. IR2: Improved Climate for Private Investment	3
C. IR3: Strengthened Private Sector Organizations	5
D. IR4: Increased Services for Micro and Small Enterprises	6
E. Other Activities	7
II. Activities Planned for Next Quarter (January – March 2001)	7
III. Progress Towards Development Results	11

Acronyms and Abbreviations

CBTPA	Caribbean Basin Trade Preference Act
COP	Chief of Party/Project Director
DG	Democracy/Governance
FPA	Forest Products Association
FTAA	Free Trade Area of the Americas
GEO	Guyana Economic Opportunities (Project)
GMA	Guyana Manufacturers Association
GNBS	Guyana National Bureau of Standards
GOG	Government of Guyana
GO-INVEST	Guyana Office for Investment
IPED	Institute of Private Enterprise Development
IR	Intermediate Result
IT	Information Technology
MOF	Ministry of Finance
MSI	Management Systems International
MTTI	Ministry of Trade, Tourism and Industry
NGO	Non-Governmental Organization
PMP	Performance Monitoring Plan
PSC	Private Sector Commission
PSIP	Public Sector Investment Program
PSO	Private Sector Organization
R4	Results Review and Resource Request (USAID reporting document)
SBA	Small Business Act
SME	Small and Micro-enterprise
SO	Strategic Objective
USAID	United States Agency for International Development
WTO	World Trade Organization

Introduction: 2000 Overview

The year 2000 was a very busy year for the Project and saw significant progress on most fronts. With GEO assistance, new legislation was drafted aimed at clearly defining the rights and obligations of potential investors. A Small Business Act was also drafted which will increase Government focus on the problems and needs of the small-business sector. Institutional strengthening activities were started or continued for IPED, the Guyana National Bureau of Standards, Go-Invest, five regional chambers of commerce, and three product-based private-sector organizations. Policy issues addressed, in addition to the investment code and the concerns of the small business sector, included Guyana's obligations under WTO, competition policy, reform of the consumption tax, and bureaucratic red tape affecting the investment climate. Advocacy training with eight private-sector organizations was on a learn-by-doing basis and issues varied from purely local concerns, as for example farm animals on city roads and streets, to major national issues such as the road to Brazil.

Although implementation of most activities generally proceeded on schedule, planned activities in the Ministry of Finance (Project Cycle Division) and the Ministry of Trade, Tourism and Industry lagged behind. Meetings with the Minister of Trade and discussions at the September GEO stakeholders' conference have hopefully put GEO assistance to both Ministries back on track.

Consultation and collaboration continue to be hallmarks of the GEO Project. In most activities the Project promotes the inclusion of and collaboration between representatives of the public and private sectors. Consultation through seminars and meetings has become an important activity in its own right to ensure the widest possible participation of stakeholders in Project activities.

This report is divided into three sections: activities undertaken during the year, progress toward meeting performance results and targets, and activities planned for the next quarter. Status of critical assumptions, any operating problems or outstanding issues are reported, as needed, under these four report sections.

I. Activities and Accomplishments During the Reporting Period

A. Activities under IR 1: Increased Capacity to Implement Economic Policy for Growth with Equity

At Project startup the Government requested that activities under IR1 focus on strengthening the Project Cycle Division in the Ministry of Finance. The Unit is responsible for monitoring the implementation of the Government's capital development program. Two activities were implemented in the Division during 2000.

- *Improved Management Information System (MIS) for the Project Cycle Division.* The GEO Information Technology Specialist developed a draft management information system, which is aimed at improving both the quality and timeliness of project monitoring and reporting. At present, many capital projects run into serious financial difficulties or implementation problems long before these problems are reported to the proper decision maker. In addition, the Division's staff currently spends an inordinate amount of time preparing *ad hoc* reports required by donors, various agencies, and different ministries. The new MIS will allow staff to produce regular and *ad hoc* reports on various projects, sectors, or by donor funding in a matter of hours, rather than days or weeks. This improvement in turn will allow more time to devote to monitoring physical implementation, identifying potential problems before they become serious, and in taking corrective action.
- *Project Cycle Procedures Manual.* A GEO Administrative Specialist submitted a draft of a procedures manual to the Project Cycle Division. After review, any necessary changes or modification will be made, with the manual subsequently being distributed to PCD staff. Again, the purpose of the procedures manual is to facilitate the monitoring functions by clearly laying out the reporting, monitoring, and operational procedures of Government-funded projects as well as those of the various donors, the latter of which can be quite different.

Both the MIS and the procedures manual were submitted to the Project Cycle Division for review by mid-year. We are still waiting for comments and recommended changes from the Division before finalizing both drafts. The Project was assured at the September GEO 2000 Stakeholders' conference that the review would be completed shortly.

- *Awareness Seminar on Competition Policy.* GEO provided assistance to the Ministry of Trade, Tourism and Industry and the Private Sector Commission (PSC) in presenting a seminar on competition policy to interested members of the public and private sectors. The seminar was very well attended, with over 175 persons in attendance. The final report indicated possible actions Guyana may want to take with regards to developing and implementing a competition policy.
- *Value Added Tax (VAT) Awareness Seminar.* A planned awareness seminar requested by the private sector on the value-added tax was postponed at the last moment due to weather-related transportation problems of presenters coming from outside of Guyana. The seminar will be rescheduled for early next year. International, regional, and Guyanese tax experts will discuss the problems and benefits from the introduction of a VAT and a regional businessman will talk about the firm-level impacts from its introduction in Barbados.

B. Activities under IR 2: Improved Climate for Private Investment

Improving the climate for private investment is a critical component of the GEO program. Both domestic and foreign investors have taken a wait-and-see attitude over the past several years before making new investments. The willingness to invest will depend in large part on the legal and regulatory environment necessary for investors to protect their economic interests. GEO interventions under IR2 are aimed at improving trade policy, meeting FTAA and WTO obligations and commitments, enhancing investment and export promotion, and assisting with the promulgation and application of clear investment laws and regulations. Activities during the reporting period included:

- *Investment Act.* With GEO assistance, a draft investment act was completed during the second quarter and submitted to both the Private Sector Commission (PSC) and the Government for review. With GEO assistance, the PSC held a series of regional consultations in addition to two events in Georgetown to review and explain the draft act. Comments and questions on certain provisions will be sent to the GEO investment specialist who helped draft the legislation for more in depth explanation and/or clarification of certain provisions. Although the draft was submitted to the Government for review, there has been no detailed reaction as of yet.
- *Investment/Export Promotion Study Tour.* The Project sponsored a study tour to visit successful export and investment promotion agencies in Trinidad and Costa Rica. The tour was designed to introduce the participants to the policies, strategies, experiences, successes, and difficulties of similar countries in their efforts to encourage domestic and foreign investment and promote exports. Participants included the Minister of Trade, Tourism and Industry; the CEO of and an investment officer from Go-Invest; and four business leaders. It is apparent from the responses of the participants that the tour was a success. To a person, all were impressed by the people and the organizations they visited and also expressed dismay at how far Guyana has to go. The tour is the first step in developing a program to strengthen investment and export promotion in Guyana.
- *GO-INVEST Client Satisfaction Survey.* As expected, the results of the survey indicated that the level of satisfaction for most of the services provided by Go-Invest was quite low. The results are being used as part of an overall assessment of the agency, with a view to developing a training and technical assistance plan. The results will also serve as a baseline to measure the impact of Project assistance to Go-Invest.
- *Assessment and Planning Assistance for the Guyana National Bureau of Standards (GNBS).* GEO provided expertise to undertake an institutional and

operational assessment of GNBS. The consultant also provided assistance to the Bureau in planning its near- to mid-term activities. Developing, monitoring, and policing generally accepted international norms and standards in manufacturing, production, and processing are important not only under future WTO and FTAA agreements, but also for Guyana's ability to compete in international markets. Several areas for possible GEO assistance were identified.

- *Investor Roadmap.* Three GEO consultants began work on developing an investor roadmap. The roadmap will serve several purposes. First, it will identify all the necessary steps and provide descriptions and forms for an investor to begin and operate a business in Guyana. Second, results of the study will identify those bureaucratic procedures that could be modified to facilitate the development and operations for small businesses with limited resources. Finally, the document will serve as a basis for discussions between the private business sector and the agencies concerned to identify those procedures and regulations that may be too time-consuming or costly, or are redundant.
- *GO-INVEST Institutional Assessment and Strategic Plan.* Late in the year, GEO began assistance to GO-INVEST to assess current operations with a view to developing a plan for institutional strengthening. The results of the assessment will also form the basis for developing the agency's strategic plan.
- *WTO/FTAA Action Plan.* A GEO trade/WTO expert began work in developing a matrix that will indicate the status of Guyana's commitments and obligations under WTO. Initial matrices were developed for existing agreements on agriculture, services, standards, or technical barriers to trade, TRIPS or trade related intellectual property rights, customs valuation, and sanitary and phytosanitary measures. Relevant agencies are to now indicate the status of each obligation/commitment. After review of the results and completion of the matrix, GEO will assist in developing action plans for meeting outstanding obligations and commitments.
- *Development of a Trade Policy Training Plan.* A GEO trade policy expert assessed staff skills and identified the trade policy needs of the Foreign Trade Division of the Ministry of Trade, Tourism and Industry. In addition to improved data/information needs, the expert highlighted the need for closer collaboration between the Ministry of Trade and the Ministry of Foreign Affairs, both of which play a role in trade negotiations and policy implementation. The draft report is currently under review by officials in the two Ministries.
- *Assessment of the Trade Data Information System.* The GEO Information Technology Expert reviewed the current trade data MIS in the Ministry of

Trade, Tourism and Industry. The draft report of the findings and recommendations for improving the information/data system has been submitted to the Ministry for review. Improved policy analysis and better information are obviously linked. Both are also important to helping achieve GEO goals of increasing investment and exports.

There was a six-month delay on the part of the Ministry of Trade, Tourism and Industry in responding to the initial reports and recommendations on WTO commitments, the trade policy training plan, and the trade data information system. In November the GEO COP met with the Minister, who has indicated that he is fully behind the activities and henceforth he will act as the Project's main point of contact for their implementation. The Ministry has since approved the initial reports.

C. Activities under IR 3: Strengthened Private Sector Organizations Capable of Influencing Public Policy

Key to future expansion of a market-oriented economy and to the enhancement of the environment for business and investment will be an effective, proactive advocacy for change on the part of the private sector and by individual associations for specific productive sectors and regions. GEO activities with private sector organizations (PSOs) focus on three areas: institutional strengthening of the PSOs themselves, building their advocacy skills, and programs for strengthening individual member firms.

- *Web site for the Private Sector Commission (PSC).* The GEO Information Technology (IT) Specialist assisted in developing a PSC web site. In addition to providing information within Guyana about Commission activities, the web site is intended to attract the interest of Guyanese living overseas who may be interested in participating in Commission activities, in learning of investment opportunities in Guyana, or forming joint ventures or other linkages with businesses in Guyana. Posting of the web site on the Internet was delayed while waiting for domain registration. It is expected that the web site will be operational in the first quarter of 2001. Training for maintaining the site will be provided to PSC office staff.
- *Private Sector Organization (PSO) Advocacy Training.* The GEO Private Sector Development Advisor arrived in August to begin a one-year assignment. Although he was in-country on an intermittent basis for a total of almost six months during the first year of the project, the response of the PSOs with which GEO works has been sufficient to have the Advisor present on a longer-term basis. Activities during the last half of 2000 focused on implementation of the action and strategic plans developed earlier, on developing advocacy campaigns for various reforms, or policy changes identified as important by each organization. Activities included:
 - Work began on a draft position paper by the Upper Corentyne Chamber on the need to clear the roads of large farm animals.

- Formal requests were made by four chambers to GEO for training assistance.
- Information was provided by the Linden Chamber to the Ministry of Public Works on the issue of the road to Brazil.
- Representatives of four regional chambers of commerce that are advocating for completion of the road to Brazil met in Lethem with Guyana's Prime Minister and the Minister of Transportation to plead their case. They also met with the Roraima Chamber of Commerce from neighboring Brazil to discuss ways and means of collaboration in their advocacy efforts.
- GEO is providing assistance for the drafting of a position paper by the GMA for a reform of the consumption tax as it relates to manufacturing.
- At the request of several chambers, GEO is facilitating the formation of a federation or association of regional chambers of commerce. Such an association will give the regional chambers a more united, stronger voice in advocating for common causes.

D. Activities under IR 4: Increased Services Available to Support Micro and Small Enterprises

- *IPED Institutional Assessment.* The GEO Micro-Finance Specialist conducted an institutional assessment of IPED. The assessment included a financial analysis, an examination of IPED's operational procedures, and an analysis of credit products and services. Recommendations aimed at strengthening IPED's operations covered credit methodology, pricing, the loan approval process, the MIS, financial management and administration. The report included a proposed one-year technical assistance and training program, the aim of which is to bring IPED up to generally accepted 'best practices' in micro-finance.
- *Strengthening IPED's Credit Methodology.* Based on the assessment and recommendations above, GEO provided technical assistance to IPED to strengthen its credit methodology. Assistance covered loan structuring, methodology for setting appropriate interest rates, and delinquency management.
- *Small Business Act.* Two Small Business Development Specialists and GEO's Legislative Drafting Expert provided assistance to a working group composed of private and public sector representatives to draft legislation aimed at promoting the development of the small business sector. A very participatory process was used which included several focus groups to first identify the key constraints and problems facing small businesses, and then determine those problems that could be solved through legislation. The Project then teamed with six regional chambers of commerce to hold consultations on the Act throughout the country. The objective of these regional consultations was several-fold: first, to promote wider consultation and greater interaction between the Government and the business communities on economic issues; second, to strengthen the regional chambers by

assisting them to begin providing services to their members; and finally, to end up with better legislation by obtaining input from a more diverse group of stakeholders who may not face the same problems and constraints as do Georgetown-based businesses. Recommendations in the draft legislation cover such issues as access to credit, government contracting, and creating a joint public/private sector council to monitor implementation of the legislation and to provide oversight for the concerns of small businesses.

- *New Product Identification in the Rupununi.* At the request of the Beacon Foundation, the Project identified a clay tile expert who assessed the feasibility of clay tile production as a potential new industry in Amerindian communities. An initial fieldtrip failed to identify the quality of clay needed for the production of roofing and floor tiles. Local clay brick makers were taught a simple method of identifying clay having the necessary characteristics for making tiles. Samples of the proper clay sent from Brazil were later distributed to interested communities.

E. Other Activities During the Year

- *Performance Monitoring Plan.* The GEO COP worked with the Mission SO1 Team to reach agreement on Intermediate Result indicators and targets for the GEO Performance Monitoring Plan. A revised plan has been submitted to the Mission.
- *Contract Review.* The Regional Contracting Officer (RCO) recommended that the Chemonics/USAID – GEO contract be modified to better reflect the performance based nature of the contract. The GEO Chief of Party drafted a revision which was submitted to the Mission and the RCO for review.
- *Year Two Work Plan.* The GEO COP met with key stakeholders to discuss on-going activities and identify priority interventions for next year. A stakeholders' conference consisting of representatives from Government, the private business sector, NGOs, USAID, and the U.S. Embassy met to review the draft and recommend additional activities.

II. Activities Planned for Next Quarter (January – March 2001)

During the first quarter of 2001 the Project will continue on-going programs and begin several new initiatives. However, there is a possibility of a slowing of some activities and the postponement of others due to national elections, which are planned for mid-March. The possibility also exists for civil unrest, which would further curtail Project activity.

A. IR 1 Implementation of Economic Policy

Activities planned for the quarter under Intermediate Result 1, include:

- *Project Cycle Division Procedures Manual.* The GEO COP will meet with the Head of the Division to review and finalize the manual.
- *Project Cycle Division MIS.* The GEO COP and IT Specialist will meet with the Division to review the draft MIS. The IT Specialist will then modify the draft as needed and begin implementation of the system, followed by staff training in its utilization.
- *Awareness Seminar on the Value Added Tax.* The seminar postponed last quarter will be rescheduled for early in 2001.
- *Awareness Seminar and Action Plan for CBTPA.* The U.S. Caribbean Basin Trade Preference Act (CBTPA) of 2000 (successor to the Caribbean Basin Initiative) offers reduced and no-tariff duty imports to the U.S. market for select products and under certain conditions. GEO will sponsor a seminar to explain the program to interested exporters and identify steps that the Guyana Government and private sector must do to ensure that Guyana exporters will qualify.

B. IR 2 Trade and Investment

Focus during the first quarter under IR 2 will be on follow-up work to the on-going activities listed below:

- *Investment Act.* Position papers will be developed on issues and questions which arose out of the consultative process to review the draft Act with the private sector. The issues include:
 - Ownership of foreign exchange accounts and the possibility of the dollarization of the economy.
 - National treatment for foreign investors.
 - Private-sector fears over "thin" investments and local borrowing.
 - Tax holidays vs. investment tax credits as an investment incentive.
- *Investor Roadmap.* The draft roadmap will be finalized and distributed as reference material to relevant Government agencies involved in the investment process as well as private-sector organizations. In addition, GEO will assist GO-INVEST:

- In preparing individual flyers or brochures on specific areas within the overall investment process (e.g., one for land, another for building permits, a third for health and safety, etc.).
 - In putting the Investor Roadmap on the Internet for easy access by both domestic and foreign investors.
 - Possibly extending the coverage of the Roadmap to specific sectors which were not included in the original exercise. These would include timber/wood-processing and mining.
- *GO-INVEST Strategic Plan.* The first phase of the planning process—the institutional assessment—should be completed in January 2001 and will be reviewed before proceeding to the development of a strategic plan. It is essential that agreement is first reached on what type of organization is needed, what its mandate shall be, and the direction of investment and export promotion, before beginning the planning process.
 - *Assistance to the Guyana National Bureau of Standards (GNBS).* The Bureau, based on assistance provided by the Project last year, has requested assistance from GEO in the following areas:
 - Development of a five year training plan.
 - Evaluation of the Bureau's public education/awareness campaign.
 - Establishment of a cost-accounting system for the Bureau.
 - *WTO Action Plan.* GEO will provide assistance for follow-up work in developing the matrix of commitments and obligations under WTO, leading towards an action plan for meeting the obligations. Activities will be coordinated with CARICOM, which has recently indicated that they are developing a regional program along the same lines.
 - *Trade Database for the Ministry of Trade, Tourism, and Industry (MTTI).* Time permitting, the GEO IT Specialist will begin assisting the Ministry to develop a trade database. Work in part will be dependent on the Ministry ensuring that the computer network is in operating condition.

C. IR 3 Private Sector Advocacy

The VAT and CBTPA seminars mentioned under IR1 will be jointly sponsored by the Private Sector Commission. Again the inclusion of the PSC is intended to strengthen the role of the Commission as a body that provides information and services to its members and to the business community.

- *Advocacy Training.* Work on advocacy training with eight private-sector organizations will continue during the quarter under the leadership of the GEO Private Sector Advisor.
- *Consumption Tax Reform.* It is expected that the GEO-funded study to support the GMA's advocacy program for a reform of the consumption tax will be completed. The GMA hopes to submit the study to the Government before the budget is submitted to Parliament.

D. IR 4 Small and Micro-enterprises

Planned activities which should begin during the first quarter under IR 4 include:

- *IPED Institutional Strengthening.* A training program in cash flow analysis for IPED credit officers is aimed at improving their ability to determine loan application viability and to set realistic repayment terms.
- *Small Business Act.* It is doubtful that the SBA will be tabled in Parliament due to the upcoming elections. The Project will continue to assist small-business-sector representatives in lobbying Government for a joint review of the draft legislation prior to its introduction in Parliament.
- *Market Potential Studies for the Rupununi.* GEO will continue to assist the Beacon Foundation to identify potential products and industries to increase incomes and employment in Amerindian communities in the Rupununi. As with the clay tile study, the initial primary focus will be to identify products and processes offering market potential.
- *Business Financing and Training Opportunities.* Two requests from the stakeholders' conference concerned the lack of awareness of the opportunities and/or sources of business financing and training opportunities. GEO will provide resources to identify and publicize the opportunities currently available.

III. Progress Towards Development Results

A. Overview

We are extremely pleased with the response and interest of partners and stakeholders to GEO initiatives thus far. For the 2000 Annual Report we provide the status on the following indicators:

- Employment
- Private-sector influence on public policy concerning economic issues
- Improved management efficiency of the Project Cycle Division
- Improved investment regulations
- Membership in private-sector organizations
- Number of advocacy campaigns undertaken by PSOs
- Number of loans disbursed by IPED
- Number of individuals receiving loans from IPED

For other indicators, GEO activities are only at their initial stages and as such we did not project increases in existing levels for 2000. For informational purposes, however, we include the data tables for the following indicators:

- Progress in meeting WTO commitments
- Improved satisfaction of potential investors
- Average time to process investment applications
- Number of clients assisted with non-financial services

B. SO Level Performance Results

Increase in Employment

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME			
INDICATOR: SO level - Employment			
UNIT OF MEASURE: Percentage increase in employment created as a result of USAID activities in concert with development partners.	1999 Baseline – Number of employees:* Product PSOs: 30,000 (GMA+THAG+FPA) 4 regional chambers : 4,415		
	YEAR	PLANNED	ACTUAL
	2000	Micro 5% GoI 0% PSO 0%	5324 jobs
SOURCE: IPED records, GO-Invest records, private sector organizations	2001	Micro 5% GoI 0% PSOs 3%	

IPED reports the creation or sustaining of 5,324 jobs during the year due to its credit programs. The numbers are based on an extrapolation from a few firms and certain assumptions about the impact of investment loans. There was no data available on pre-loan employment to measure a percentage increase. We will work with IPED during 2001 to better track the impact of its credit programs on job creation. Due in part to USAID/GEO assistance, the Inter-American Development Bank has agreed to finance an improved MIS. We will ensure that better tracking of numbers of employees prior to and after receiving loans will be readily accessible.

Private Sector Influences Public Policies

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME			
INDICATOR: SO level – Private Sector Influences public policies			
UNIT OF MEASURE: Number of public policies.	YEAR	PLANNED	ACTUAL
SOURCE: Private Sector Organizations (PSOs) including the Private Sector Commission (PSC), Local Chambers of Commerce, and Business Associations.	2000	Local 4	Local 7
		National 2	National 3

National Issues:

At the national level, PSOs with which GEO is working are already influencing public policies in several areas: the creation of a development bank and the drafting of legislation on investment and small businesses. Since the demise of GAIBANK, it has been extremely difficult, if not impossible, for private businesses to obtain long-term financing. The Guyana Manufacturers' Association has been lobbying for some time, without success, to obtain support from the Government for a new development bank. Through GEO assistance the GMA developed a concept paper that offered several options for setting up such a bank in Guyana. Instead of opting for Government ownership of the proposed bank, the private sector, through the GMA and with the support of the Government, is currently having talks with a private Trinidadian bank that may bring development banking services to Guyana. The Government is supporting this initiative.

The Private Sector Commission has been a leading proponent for an improved investment climate. GEO has provided the assistance of three short-term experts to help the private sector develop an investment code. Under the previous USAID economic growth project, the Government strongly resisted attempts to develop either a strategy or a code. A small group of private and public-sector officials have reviewed the investment code recently drafted with GEO assistance. Potential problem areas for the Government have been identified. GEO will continue to assist with the lobbying efforts of the PSC and other PSOs toward the eventual enactment of the Code.

GEO has also provided technical assistance to representatives of several PSOs (Guyana Small Business Association, GMA) who have been involved in drafting legislation to promote the development of the small-business sector. A very participatory process has been followed, with several working groups held to identify key elements for the legislation and to review various drafts. As with the investment code, it is hoped that a

wide review of the draft legislation will help lead to its enactment by the National Assembly. The Minister of Trade, Tourism and Industry supports the Small Business Act and has included funding in the 2001 budget for the setting up of a division within his Ministry (as called for under the Act) to deal with issues affecting small businesses.

Local Issues:

The regional chambers of commerce are taking to advocacy training in a big way. Over the past several months we have seen press releases on one issue or another on almost a weekly basis. Although each chamber is working closely with the GEO Private Sector Specialist on one or two issues, it is clear that they are using the techniques learned on other issues as well. Below are listed a few of the issues for which the chambers are already having a noticeable impact on the Government:

- Using meetings with local and national government officials, presentations on television and press releases, the Berbice Chamber of Commerce and Development Association (BBCDA) has been lobbying for an industrial site in New Amsterdam. The President of Guyana responded that the Government would work to complete it and it is now ready for occupancy.
- The BBCDA also lobbied to have a role in the selection process for tenders to bridge the Berbice River. The Chamber President now sits on the commission.
- After privatization of the power company in Linden, there was great dissatisfaction with the services provided by the new owner. The Linden Chamber of Industry, Commerce and Development (LCICD) was a prime mover in galvanizing the business community to push for change. As a result, the Prime Minister visited Linden to hold talks with the power company. The situation has since improved.
- Four regional chambers of commerce (LCICD, BBCDA, Upper Corentyne and Rupununi) have joined forces to advocate for completion or improvement of the road to Brazil. Representatives of the chambers were invited to meet with the Prime Minister and the Minister of Transport to discuss the delays. The regional chambers have also met with their counterpart chamber in Brazil. A recent meeting between the representatives of the two governments was in part the result.
- The Rupununi Chamber of Commerce was instrumental in making known the problems faced by merchants involved in cross-border trade with Brazil. Again, as a result, the two governments are meeting to try to resolve the problems.
- The Rupununi Chamber also pushed and has finally been successful in having periodic meetings with the Regional Government on issues affecting the business community.
- The Upper Correntyne Chamber of Commerce has been successful in having the Minister of Trade, Tourism and Industry visit to discuss the development for tourism purposes of Beach No. 63.

Although none of the campaigns listed above, either for national or local issues, has been 100 percent successful, the organizations have nonetheless been able to have some impact.

In some instances it may simply be an agreement of the Government to meet and discuss the issue; a small step to be sure, but a large step in a country where consultation has not been the norm.

C. IR 1 Performance Results

Information Technology in the Project Cycle Division

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR1 Increased Capacity to Implement Economic Policy for Growth with Equity			
INDICATOR: Information technology tools are utilized.			
UNIT OF MEASURE: Scale, see below.	YEAR	PLANNED	ACTUAL
	1999 (B)		0
SOURCE: MOF	2000	Step 1	Step 1
	2001	Step 2 & 3	
INDICATOR DESCRIPTION: 1. MIS system is developed 2. Users are trained 3. MIS is utilized by the Project Cycle Unit. 4. Examples of increased efficiency are evident as a result of the MIS.	2002	Step 4	

The GEO IT Specialist began work on an improved MIS for the Project Cycle Division in the Ministry of Finance. After an initial review of the draft system, the Chief Planning Officer and the Head of the Project Cycle Division indicated that at times it is necessary to analyze projects and capital works on a regional basis. The GEO IT Specialist has since modified the original model to facilitate regional analyses. We are currently awaiting a final review of the MIS by the Project Cycle Division before finalizing the system, incorporating into the Ministry of Finance computer system, and training Project Cycle staff in its utilization.

D. IR 2 Performance Results

WTO Commitments

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor	
APPROVED: 7/22/98		Country/Organization: Guyana	
RESULT NAME: IR2 Improved Climate for Private Investment			
INDICATOR: Percentage of WTO Obligations Met			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: GEO Study	2000		
	2001		
INDICATOR DESCRIPTION: GEO is planning a study in which a consultant will prepare a matrix of policies which must be met to comply with WTO obligations. The study will provide a current status (the baseline) and appropriate targets for the next four years.	2002		
	2003		
COMMENTS: Baseline and targets to be developed.			

During the second quarter of 2000, a GEO Trade/WTO Specialist assisted the Ministry of Trade, Tourism and Industry to develop a matrix of Guyana's commitments and obligations under WTO. The concerned agencies and Ministries for each of the identified issues were tasked with determining the current status. To date the Ministry of Trade has failed to follow up with the concerned agencies to fill out the matrix. After discussions late in the year, we were assured that the Ministry is committed to the activity and will undertake the necessary follow-up. It is only after we have obtained a clear idea of what has and has not been done to meet the requirements under WTO that we will be able to develop an action plan for compliance and a program of assistance by GEO. We expect this initial work to be completed by June 2001, which in turn will allow us to set performance targets.

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor	
APPROVED: 7/22/98		Country/Organization: Guyana	
RESULT NAME: IR2 Improved Climate for Private Investment			
INDICATOR: Improved Satisfaction of Potential Investors			
UNIT OF MEASURE: Percent of potential investors reporting expectations met or exceeded.	YEAR	PLANNED	ACTUAL
	1999 (B)		43%
SOURCE: GO-Invest Survey	2000	-	
	2001	50%	
INDICATOR DESCRIPTION: Go-Invest will conduct a survey of its registered investors to determine the level of potential investors reporting met or exceeded expectations.	2002	60%	
	2003	75%	

A GEO sponsored client satisfaction survey conducted last year indicated that only 43 percent of GO-INVEST's 1999 clients were satisfied with the services they received. GEO assistance to investment promotion began this year with a study tour to visit well-functioning investment and export promotion agencies in the region. Currently an assessment of GO-INVEST is under way, which will be followed by the development of a strategic plan and GEO assistance to strengthen the agency. Since GEO assistance is only now beginning, we do not expect to see an immediate turnaround in client perceptions.

Investment Application Processing Time

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor	
APPROVED: 7/22/98		Country/Organization: Guyana	
RESULT NAME: IR 2 Improved Climate for Private Investment			
INDICATOR: Average time to process investment applications			
UNITS OF MEASURE:	YEAR	PLANNED	ACTUAL
Duty free: workdays	1999 (B)		Duty Free 26
Land: months			Land 19
Discretionary: workdays			Discretionary 52
SOURCE: Go-Invest	2000		
	2001	Duty Free 24	
		Land 17	
Discretionary 47			
INDICATOR DESCRIPTION: Average time, in months, between the date of application to the date of decision. The data will be disaggregated among the following categories because each category implies significantly different processing times:	2002	Duty Free 19	
		Land 15	
		Discretionary 40	
Duty Free Concessions	2003	Duty Free 15	
Land for Investment		Land 12	
Discretionary Concessions		Discretionary 30	
COMMENTS: This indicator is important for GEO and Go-Invest to track because one of the primary functions of Go-Invest is to speed up the process for investors to obtain final decisions. If this process is improved, it will be indicative of a better investment climate. The Project has obtained conflicting “actual” time to process the applications from Go-Invest, from work on the Investor Roadmap, and from the client satisfaction survey. It is clear that there is wide variation in the processing times, ranging from a few days to months and even years. The targets will be verified and amended by the SO1 Team as needed. Assistance in improving the agency MIS should improve the tracking of investment applications and the quality of monitoring information.			

The GEO strategy for strengthening GO-INVEST involves several steps taken in sequence. The first step was a study tour for key GO-INVEST personnel and other representatives of the public and private sectors to visit successful export and investment promotion agencies in the region. Unfortunately, the study tour, planned for the first or second quarter of 2000,

was delayed due to the non-availability of GO-INVEST's CEO. The next stage in strengthening the agency will be a strategic plan. This stage began in the fourth quarter of 2000, with an institutional assessment, which, among other things, will identify training and technical assistance needs that GEO can provide. The strategic plan will, in all likelihood, also be delayed due to national elections scheduled for the first quarter of 2001. These delays could impact our ability to have a measurable impact on the agency's efficiency, at least according to the original targets set out above.

Investment Regulations and Policies

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor	
APPROVED: 7/22/98		Country/Organization: Guyana	
RESULT NAME: IR2: Improved Climate for Private Investment			
INDICATOR: Improved application of commercial/investment regulations and policies.			
UNIT OF MEASURE: Scale. Steps taken toward the implementation of an investment code.	YEAR	PLANNED	ACTUAL
	1999 (B)		
SOURCE: GEO Project	2000	Step 1	Step 1
	2001	Step 2, 3, 4, 5, 6	
INDICATOR DESCRIPTION: (Stage I) Investment Code is in place. Steps: 1- Investment Code is drafted. 2- Laws revised/Code enacted. 3- Information disseminated. 4- Laws/Code enforced. (Stage II) Investment strategy is implemented and enforced. Steps: 5- Investment strategy developed. 6- Draft vetted. 7- Strategy revised. 8- Strategy finalized.	2002	Steps 4, 6, 7, 8	
	2003	Step 4	

With GEO assistance, the public and private sectors have collaborated in developing a draft investment code or Act. The Investment Act lays down the general policies and incentives that impact investment across the board, and thus by itself is independent for most purposes from the country's investment strategy. The Act, as drafted, provides for the identification of priority geographic areas, sectors and/or projects that may receive special incentives. It is through the identification of these national priorities and through the strategic planning exercise with GO-INVEST that the investment strategy will be developed. Of critical importance is that the private sector, with GEO assistance, has been able to engage the Government in the process of improving the investment climate. This has been a major accomplishment and one that we believe will now facilitate work on developing a coherent national strategy on investment. The next stage may be even more difficult. Although the Government supported GEO assistance in working with the private sector in developing the draft Investment Act, it has been slow in opening a dialogue at the higher levels of government to discuss it. We expect no movement on the Government's side during the first quarter of 2001, due to the up-coming national elections.

E. IR 3 Performance Results

PSO Membership

STRATEGIC OBJECTIVE 1: Expanded economic opportunities for the urban and rural poor APPROVED: 7/22/98 Country/Organization: Guyana			
RESULT NAME: IR3: Strengthened Capacity of the Private Sector to Influence Public Policy			
INDICATOR: Membership in Local Chambers of Commerce and private sector associations.			
UNIT OF MEASURE: Numbers of firms who are members of Local Chambers of Commerce and business associations.	YEAR	PLANNED	ACTUAL
	1999 (B)		Linden 25 Essequibo 55 Berbice 32 Upper Corentyne 60 THAG 54 GMA 125 FPA 62 TOTAL 413 Total owned by women: 29
	2000	425	Linden 26 Essequibo 37 Berbice 39 Upper Corentyne 75 THAG 65 GMA 90 FPA 62 Lethem 36 Bartica 18 TOTAL 448 Total owned by women: 48

The seven PSOs with which GEO began working at the beginning of the Project have registered a decline of 14 member firms during the year. However, the figures are a little misleading in that they do not reflect an overall membership increase for most of the regional chambers, and the total number of firms is dominated by a decrease of 35 firms in the Guyana Manufacturers Association. The “firms” that we count are “financial” members, or those who have paid their annual dues. In at least one of the PSOs, the Essequibo Chamber of Commerce, the Chamber is currently bringing its membership list up to date and notifying members who have not paid. As indicated in previous reports, the regional chambers of commerce are the more dynamic PSOs and have worked the hardest with the Project. The three Georgetown and product-based PSOs—GMA, THAG, and

FPA— have shown much less interest to date in working with GEO. With the exception of Essequibo, all regional chambers of commerce have registered an increase in membership. It is also noteworthy that two recently formed chambers of commerce, in Rupununi and in Bartica, have asked for and are now receiving GEO assistance. These two chambers have 36 and 18 members, respectively. We believe that some of the interest in joining PSOs and the increasing membership in the regional chambers have been generated by the involvement of GEO. Most assistance projects in the past have focused on Georgetown-based organizations, with little or no assistance provided to the regions. We have found these chambers to be the most involved in and enthusiastic about GEO assistance. We are very encouraged by their participation and believe that membership will continue to increase as GEO's institutional and advocacy activities begin to bear fruit.

Advocacy Campaigns

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor	
APPROVED: 7/22/98		Country/Organization: Guyana	
RESULT NAME: IR3: Strengthened Capacity of the Private Sector to Influence Public Policy			
INDICATOR: Number of advocacy campaigns undertaken by private sector organizations.			
UNIT OF MEASURE: Number of campaigns.	YEAR	PLANNED	ACTUAL
	1999 (B)		0
SOURCE: Private sector organizations, such as the private sector commission, local chambers of commerce, and business associations which receive assistance from USAID.	2000	7	15
	2001	10	

GEO's involvement in teaching advocacy techniques and providing assistance in developing campaigns was detailed previously. The seven original partner private-sector organizations plus two new chambers of commerce have identified key advocacy issues of importance to their members. GEO works closely with each PSO on one or two campaigns, and provides limited assistance on others. The focus of GEO assistance is in teaching the methods and techniques of mounting an effective campaign, so that later PSOs will be better able to lobby for change on their own. The SO-level indicator described earlier indicated that PSOs have already had some impact, though perhaps not completely successful, in influencing the Government on seven local and three national issues. In defining an activity as an advocacy *campaign*, a PSO must use at least two lobbying techniques; thus a meeting with a minister to discuss an issue would not constitute a campaign. Based on only the six regional chambers of commerce, GEO-assisted chambers are currently in the midst of 14 advocacy campaigns. In addition to

those listed under the SO, the chambers are involved in pushing for greater policing of businesses and accountability of the local government (Berbice); promotion of local investment and opening of a customs office (Essequibo); getting farm animals off town streets and roads and reducing the consumption tax on fuel (Upper Correntyne). There are also many other issues for which the chambers are preparing lobbying activities, but which have not yet achieved the stage of being considered an advocacy campaign. The product-based PSOs (THAG, GMA and FPA) are also involved in advocacy programs, but since we have not worked as closely with them as the chambers, we have not included them in the performance reporting for this year. One notable exception is GEO assistance to the GMA in preparing a position paper for the reform of the consumption tax for the manufacturing sector.

F. IR 4 Development Results

Number of Loans Disbursed and Individuals Receiving Loans from IPED

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor			
APPROVED: 7/22/98		Country/Organization: Guyana			
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises					
INDICATOR: Numbers of loans disbursed.					
UNIT OF MEASURE: Number of loans.	YEAR	PLANNED	ACTUAL		
			(M)	(F)	(T)
	1999 (B)		837	3042	3879
SOURCE: IPED	2000*	(T) 4460	1230	2852	4082

* Figures for 2000 are tentative.

Although IPED registered a 5 percent increase in the number of loans disbursed last year (see Table above), it did not meet the target of disbursing 4,460 loans. IPED did, however, meet the target of increasing the number of individuals receiving micro loans by 10 percent, from 21180 in 1999 to 21426 last year (see below). The number of loans disbursed did not meet expectations, in part because of a dispute between street vendors and the Government as to where they can sell their goods in Georgetown. Vendors for most purposes were unable to operate for two-and-half-months during the normally busy Christmas season. As a result, the loans disbursed were significantly lower in Georgetown, where vendors make up an important part of IPED's cliental.

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor					
APPROVED: 7/22/98		Country/Organization: Guyana					
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises							
INDICATOR: Numbers of individuals receiving loans.							
UNIT OF MEASURE: Numbers of individuals.	YEAR	PLANNED			ACTUAL		
		(M)	(F)	(T)	(M)	(F)	(T)
	1999 (B)				504	1676	2180
SOURCE: IPED	2000*			2400	533	1893	2426

* Figures for 2000 are tentative.

Number of Clients Receiving Non-Financial Services

STRATEGIC OBJECTIVE 1:		Expanded economic opportunities for the urban and rural poor		
APPROVED: 7/22/98		Country/Organization: Guyana		
RESULT NAME: IR4 Increased Financial and Non-Financial Services Available to Support Small and Microenterprises				
INDICATOR: Number of clients assisted.				
UNIT OF MEASURE: Number of clients (individuals).	YEAR	PLANNED	ACTUAL	
	1999 (B)		0	
SOURCE: The Beacon Foundation, Red Thread, and other partners yet to be defined.	2000			
	2001			

Targets have not yet been set for this indicator. However, several activities have been initiated and others are planned which will increase the types and quality of non-financial services available to small and micro-enterprises. Among the activities which support this Intermediate Result are:

- Increasing the capacity of PSOs to provide services to their members (e.g., computer and Internet training, business planning, etc.)
- Marketing studies to assist the Beacon Foundation in the Rupununi identify potential revenue generating activities for Amerindian communities.

- The Small Business Act, which provides for greater Government focus on the needs of the small business sector. Provisions of the Act call for the government to investigate a loan guarantee program for small businesses and that a percentage of Government tenders be reserved for small firms.

Targets will be determined and agreed to by the SO1 Team by June 2001.